

**TOTAL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FIRST SIX MONTHS OF 2013**  
*(unaudited)*

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**1) Accounting policies**

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of June 30, 2013 are presented in Euros and have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". The accounting policies applied for the consolidated financial statements as of June 30, 2013 do not differ significantly from those applied for the consolidated financial statements as of December 31, 2012 which have been prepared on the basis of IFRS (International Financial Reporting Standards) as adopted by the European Union and IFRS as issued by the IASB (International Accounting Standard Board), with the exception of those texts or amendments that must be applied for periods beginning the January 1<sup>st</sup> 2013 described in note 1X of the Notes to the consolidated financial statements for the year ended December 31, 2012:

- The revised standard IAS 19 "Employee benefits" applicable retrospectively from January 1<sup>st</sup>, 2013, led in particular to the full recognition of the net position in respect of employee benefits obligations (liabilities net of assets) in the balance sheet, to the elimination of the corridor approach previously used by the Group, the elimination of the depreciation of past services costs, and to the obligation to evaluate the expected return on plan assets on a normative basis (via the discount rate used to value the debt).

The application of this standard had an impact on January 1<sup>st</sup>, 2013 and as of June 30, 2012 (the first comparative period presented) of an increase in employee benefit provisions of €2.8 billion and €2.3 billion respectively, and a decrease in equity of €2.8 billion and €2.3 billion before tax (€1.7 billion and €1.4 billion after tax). The impact on the profit for 2012 is not significant. In accordance with the transitional rules of IAS 19 revised, the comparative periods were restated to take into account the retrospective application of the standard.

- Application of standards on consolidation: IFRS 10 "Consolidated financial statements", IFRS 11 "Joint arrangements", IFRS 12 "Disclosure of interests in other entities", IAS 27 revised "Separate financial statements" and IAS 28 revised "Investments in associates and joint ventures". The application of these standards did not have a material effect on the Group's consolidated balance sheet, income statement and shareholder's equity as of June 30, 2013.
- The application of standards IFRS 13 "Fair value measurement" and IAS 1 revised "Presentation of financial statements" did not have a material effect on the Group's consolidated balance sheet, statement of income and shareholder's equity as of June 30, 2013.

The preparation of financial statements in accordance with IFRS requires the executive management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of preparation of the financial statements and reported income and expenses for the period. The executive management reviews these estimates and assumptions on an ongoing basis, by reference to past experience and various other factors considered as reasonable which form the basis for assessing the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply. These judgments and estimates relate principally to the application of the successful efforts method for the oil and gas accounting, the valuation of long-lived assets, the provisions for asset retirement obligations and environmental remediation, the pensions and post-retirement benefits and the income tax computation. These estimates and assumptions are described in the Notes to the consolidated financial statements as of December 31, 2012.

Furthermore, when the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, the executive management applies its judgment to define and apply accounting policies that will lead to relevant and reliable information, so that the financial statements:

- give a true and fair view of the Group's financial position, financial performance and cash flows;
- reflect the substance of transactions;
- are neutral;
- are prepared on a prudent basis; and
- are complete in all material aspects.

Pursuant to the accrual basis of accounting followed by the Group, the financial statements reflect the effects of transactions and other events when they occur. Assets and liabilities such as property, plant and equipment and intangible assets are usually measured at cost. Financial assets and liabilities are usually measured at fair value.

## **2) Changes in the Group structure, main acquisitions and divestments**

### **➤ Upstream**

- TOTAL finalized in February 2013 the acquisition of an additional 6% interest in the Ichthys liquefied natural gas (LNG) project from its partner INPEX. TOTAL's overall equity stake in the Ichthys LNG project will increase from 24% to 30%.
- TOTAL finalized in February 2013 the sale to INPEX of a 9.99% indirect interest in offshore Angola Block 14
- On March 27, 2013, TOTAL entered into an agreement for the sale to Suncor Energy Inc. of its 49% interest in the Voyageur upgrader project, which is located in the Canadian province of Alberta and intended to upgrade bitumen from the Fort Hills and Joslyn mines. The transaction amounted to US\$506 million (€385 million). The mining development projects of Fort Hills and Joslyn continue according to the production evacuation logistics studies jointly conducted with Suncor. The sale entails a net loss of €1,247 million.
- TOTAL finalized in June 2013 the sale of a 25% interest in the Tempa Rossa field in Italy to a subsidiary of Mitsui.

### **➤ Refining & Chemicals**

- TOTAL finalized in June 2013 the sale of its fertilizing businesses in Europe.

## **3) Adjustment items**

Financial information by business segment is reported in accordance with the internal reporting system and shows internal segment information that is used to manage and measure the performance of TOTAL and which is reviewed by the main operational decision-making body of the Group, namely the Executive committee.

Performance indicators excluding the adjustment items, such as adjusted operating income, adjusted net operating income, and adjusted net income are meant to facilitate the analysis of the financial performance and the comparison of income between periods.

Adjustment items include:

### **(i) Special items**

Due to their unusual nature or particular significance, certain transactions qualified as "special items" are excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in certain instances, transactions such as restructuring costs or asset disposals, which are not considered to be representative of the normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to occur again within the coming years.

### **(ii) Inventory valuation effect**

The adjusted results of the Refining & Chemicals and Marketing & Services segments are presented according to the replacement cost method. This method is used to assess the segments' performance and facilitate the comparability of the segments' performance with those of its competitors.

In the replacement cost method, which approximates the LIFO (Last-In, First-Out) method, the variation of inventory values in the statement of income is, depending on the nature of the inventory, determined using either the month-end prices differential between one period and another or the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to the FIFO (First-In, First-Out) and the replacement cost.

### (iii) Effect of changes in fair value

The effect of changes in fair value presented as adjustment item reflects for some transactions differences between internal measure of performance used by TOTAL's management and the accounting for these transactions under IFRS.

IFRS requires that trading inventories be recorded at their fair value using period-end spot prices. In order to best reflect the management of economic exposure through derivative transactions, internal indicators used to measure performance include valuations of trading inventories based on forward prices.

Furthermore, TOTAL, in its trading activities, enters into storage contracts, which future effects are recorded at fair value in Group's internal economic performance. IFRS precludes recognition of this fair value effect.

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items and the effect of changes in fair value.

The detail of the adjustment items is presented in the table below.

#### ADJUSTMENTS TO OPERATING INCOME

(M€)		Upstream	Refining & Chemicals	Marketing & Services	Corporate	Total
<b>2<sup>nd</sup> quarter 2013</b>	Inventory valuation effect	-	(499)	(82)	-	(581)
	Effect of changes in fair value	(32)	-	-	-	(32)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Other items	-	(37)	-	-	(37)
<b>Total</b>		<b>(32)</b>	<b>(536)</b>	<b>(82)</b>	<b>-</b>	<b>(650)</b>
<b>2<sup>nd</sup> quarter 2012</b>	Inventory valuation effect	-	(1,238)	(146)	-	(1,384)
	Effect of changes in fair value	11	-	-	-	11
	Restructuring charges	-	-	(48)	-	(48)
	Asset impairment charges	-	-	-	-	-
	Other items	(18)	-	-	(23)	(41)
<b>Total</b>		<b>(7)</b>	<b>(1,238)</b>	<b>(194)</b>	<b>(23)</b>	<b>(1,462)</b>
<b>1<sup>st</sup> half 2013</b>	Inventory valuation effect	-	(566)	(103)	-	(669)
	Effect of changes in fair value	(30)	-	-	-	(30)
	Restructuring charges	-	(2)	-	-	(2)
	Asset impairment charges	-	(4)	-	-	(4)
	Other items	-	(37)	-	-	(37)
<b>Total</b>		<b>(30)</b>	<b>(609)</b>	<b>(103)</b>	<b>-</b>	<b>(742)</b>
<b>1<sup>st</sup> half 2012</b>	Inventory valuation effect	-	(455)	(83)	-	(538)
	Effect of changes in fair value	(14)	-	-	-	(14)
	Restructuring charges	-	-	(48)	-	(48)
	Asset impairment charges	-	-	-	-	-
	Other items	(18)	-	-	(88)	(106)
<b>Total</b>		<b>(32)</b>	<b>(455)</b>	<b>(131)</b>	<b>(88)</b>	<b>(706)</b>

ADJUSTMENTS TO NET INCOME, GROUP SHARE

(M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Total
<b>2<sup>nd</sup> quarter 2013</b>					
Inventory valuation effect	-	(351)	(49)	-	(400)
Effect of changes in fair value	(24)	-	-	-	(24)
Restructuring charges	-	-	-	-	-
Asset impairment charges	-	-	-	-	-
Gains (losses) on disposals of assets	328	(41)	-	-	287
Other items	-	(25)	-	-	(25)
<b>Total</b>	<b>304</b>	<b>(417)</b>	<b>(49)</b>	<b>-</b>	<b>(162)</b>
<b>2<sup>nd</sup> quarter 2012</b>					
Inventory valuation effect	-	(877)	(82)	-	(959)
Effect of changes in fair value	9	-	-	-	9
Restructuring charges	-	-	(40)	-	(40)
Asset impairment charges	-	-	-	(18)	(18)
Gains (losses) on disposals of assets	-	-	-	73	73
Other items	(7)	-	-	(331)	(338)
<b>Total</b>	<b>2</b>	<b>(877)</b>	<b>(122)</b>	<b>(276)</b>	<b>(1,273)</b>
<b>1<sup>st</sup> half 2013</b>					
Inventory valuation effect	-	(385)	(66)	-	(451)
Effect of changes in fair value	(23)	-	-	-	(23)
Restructuring charges	-	(16)	(10)	-	(26)
Asset impairment charges	-	(3)	-	-	(3)
Gains (losses) on disposals of assets	(919)	(41)	-	-	(960)
Other items	-	(25)	-	-	(25)
<b>Total</b>	<b>(942)</b>	<b>(470)</b>	<b>(76)</b>	<b>-</b>	<b>(1,488)</b>
<b>1<sup>st</sup> half 2012</b>					
Inventory valuation effect	-	(324)	(45)	-	(369)
Effect of changes in fair value	(11)	-	-	-	(11)
Restructuring charges	-	-	(40)	-	(40)
Asset impairment charges	-	-	(20)	(18)	(38)
Gains (losses) on disposals of assets	-	-	-	153	153
Other items	(7)	-	-	(373)	(380)
<b>Total</b>	<b>(18)</b>	<b>(324)</b>	<b>(105)</b>	<b>(238)</b>	<b>(685)</b>

#### 4) Shareholders' equity

##### Treasury shares (TOTAL shares held by TOTAL S.A.)

As of June 30, 2013, TOTAL S.A. held 8,059,391 of its own shares, representing 0.34% of its share capital, detailed as follows:

- 7,993,690 shares allocated to TOTAL restricted shares plans for Group employees; and
- 65,701 shares intended to be allocated to new TOTAL share purchase option plans or to new restricted shares plans.

These 8,059,391 shares are deducted from the consolidated shareholders' equity.

##### Treasury shares (TOTAL shares held by Group subsidiaries)

As of June 30, 2013, TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.22% of its share capital, detailed as follows:

- 2,023,672 shares held by a consolidated subsidiary, Total Nucléaire, 100% indirectly controlled by TOTAL S.A.;
- 98,307,596 shares held by subsidiaries of Elf Aquitaine (Financière Valorgest, Sogapar and Fingestval), 100% indirectly controlled by TOTAL S.A.

These 100,331,268 shares are deducted from the consolidated shareholders' equity.

##### Dividend

The shareholders' meeting on May 17, 2013 approved the payment of a cash dividend of €2.34 per share for the 2012 fiscal year. Taking into account the first quarterly dividend of €0.57 per share and the two following quarterly dividends of €0.59 per share that have already been paid on September 27, 2012, December 20, 2012, and March 21, 2013, the remaining balance of €0.59 per share was paid on June 27, 2013.

A first quarterly dividend for the fiscal year 2013 of €0.59 per share, decided by the Board of Directors on April 25, 2013, will be paid on September 27, 2013 (the ex-dividend date will be September 24, 2013).

A second quarterly dividend for the fiscal year 2013 of €0.59 per share, decided by the Board of Directors on July 25, 2013, will be paid on December 19, 2013 (the ex-dividend date will be December 16, 2013).

### Other comprehensive income

Detail of other comprehensive income showing items reclassified from equity to net income is presented in the table below:

(M€)	1st half 2013		1st half 2012	
Actuarial gains and losses		(19)		(423)
Tax effect		6		156
<b>Items not potentially reclassifiable to profit or loss</b>		<b>(13)</b>		<b>(267)</b>
Currency translation adjustment		(160)		1,289
- unrealized gain/(loss) of the period	(174)		1,288	
- less gain/(loss) included in net income	(14)		(1)	
Available for sale financial assets		2		(159)
- unrealized gain/(loss) of the period	2		61	
- less gain/(loss) included in net income	-		220	
Cash flow hedge		72		3
- unrealized gain/(loss) of the period	14		(35)	
- less gain/(loss) included in net income	(58)		(38)	
Share of other comprehensive income of equity affiliates, net amount		(336)		105
Other		(8)		(14)
- unrealized gain/(loss) of the period	(8)		(14)	
- less gain/(loss) included in net income	-		-	
Tax effect		(27)		35
<b>Items potentially reclassifiable to profit or loss</b>		<b>(457)</b>		<b>1,259</b>
<b>Total other comprehensive income, net amount</b>		<b>(470)</b>		<b>992</b>

Tax effects relating to each component of other comprehensive income are as follows:

(M€)	1st half 2013			1st half 2012		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(19)	6	(13)	(423)	156	(267)
<b>Items not potentially reclassifiable to profit or loss</b>	<b>(19)</b>	<b>6</b>	<b>(13)</b>	<b>(423)</b>	<b>156</b>	<b>(267)</b>
Currency translation adjustment	(160)		(160)	1,289		1,289
Available for sale financial assets	2	1	3	(159)	38	(121)
Cash flow hedge	72	(28)	44	3	(3)	-
Share of other comprehensive income of equity affiliates, net amount	(336)		(336)	105		105
Other	(8)		(8)	(14)		(14)
<b>Items potentially reclassifiable to profit or loss</b>	<b>(430)</b>	<b>(27)</b>	<b>(457)</b>	<b>1,224</b>	<b>35</b>	<b>1,259</b>
<b>Total other comprehensive income</b>	<b>(449)</b>	<b>(21)</b>	<b>(470)</b>	<b>801</b>	<b>191</b>	<b>992</b>

## **5) Financial debt**

The Group issued bonds through its subsidiaries Total Capital International and Total Capital Canada during the first six months of 2013:

- Bond 1.450% 2013-2018 (1,000 million USD)
- Bond US Libor 3 months + 38 bp 2013-2016 (1,000 million USD)
- Bond 2.750% 2013-2023 (1,000 million USD)
- Bond 0.750% 2013-2016 (250 million USD increase of an existing 2012-2016 Bond)
- Bond 4.000% 2013-2018 (150 million AUD)
- Bond 2.125% 2013-2023 (250 million EUR increase of an 2012-2023 existing Bond)
- Bond Euribor 3 months + 31 bp 2013-2020 (300 million EUR)
- Bond 2.500% 2013-2018 (600 million NOK)

The Group reimbursed bonds during the first six months of 2013:

- Bond 4.125% 2007-2013 (600 million EUR)
- Bond 5.500% 2007-2013 (350 million GBP)
- Bond 7.500% 2008-2013 (200 million AUD)
- Bond 4.500% 2003-2013 (30 million USD)
- Bond 5.500% 2009-2013 (200 million AUD)
- Bond 3.125% 2008-2013 (300 million CHF)
- Bond Libor 3 month + 9 bp 2011-2013 (1,000 million USD)
- Bond 4.000% 2008-2013 (400 million USD)

In the context of its active cash management, the Group may temporarily increase its current borrowings, particularly in the form of commercial paper. The changes in current borrowings, cash and cash equivalents and current financial assets resulting from this cash management in the quarterly financial statements are not necessarily representative of a longer-term position.

## **6) Related parties**

The related parties are principally equity affiliates and non-consolidated investments. There were no major changes concerning transactions with related parties during the first six months of 2013.

## 7) Other risks and contingent liabilities

TOTAL is not currently aware of any exceptional event, dispute, risks or contingent liabilities that could have a material impact on the assets and liabilities, results, financial position or operations of the Group.

### **Antitrust investigations**

The principal antitrust proceedings in which the Group's companies are involved are described thereafter.

#### *Refining & Chemicals segment*

As part of the spin-off of Arkema<sup>1</sup> in 2006, TOTAL S.A. or certain other Group companies agreed to grant Arkema a guarantee for potential monetary consequences related to antitrust proceedings arising from events prior to the spin-off.

This guarantee covers, for a period of ten years from the date of the spin-off, 90% of amounts paid by Arkema related to (i) fines imposed by European authorities or European member-states for competition law violations, (ii) fines imposed by U.S. courts or antitrust authorities for federal antitrust violations or violations of the competition laws of U.S. states, (iii) damages awarded in civil proceedings related to the government proceedings mentioned above, and (iv) certain costs related to these proceedings. The guarantee related to anti-competition violations in Europe applies to amounts above a €176.5 million threshold. On the other hand, the agreements provide that Arkema will indemnify TOTAL S.A. or any Group company for 10% of any amount that TOTAL S.A. or any Group company are required to pay under any of the proceedings covered by this guarantee, in Europe.

If one or more individuals or legal entities, acting alone or together, directly or indirectly holds more than one-third of the voting rights of Arkema, or if Arkema transfers more than 50% of its assets (as calculated under the enterprise valuation method, as of the date of the transfer) to a third party or parties acting together, irrespective of the type or number of transfers, this guarantee will become void.

- In the United States, civil liability lawsuits, for which TOTAL S.A. has been named as the parent company, are closed without significant impact on the Group's financial position.
- In Europe, since 2006, the European Commission has fined companies of the Group in its configuration prior to the spin-off following five investigations launched by the European Commission between 2000 and 2004, four of which are closed, the fifth is on hold pending a decision following the appeal of Arkema and the concerned companies of the Group.

In financial terms, the fines imposed by the European Commission following the five investigations reach an overall amount of €385.47 million, entirely settled as of today. As a result, once the threshold provided for by the guarantee is deducted, the overall amount assumed and paid by the Group since the spin-off in accordance with the guarantee amounted to €188.07 million<sup>2</sup>, to which an amount of €31.31 million of interest has been added. These amounts were not modified during the first half of 2013 financial year.

- In addition, civil proceedings against Arkema and other groups of companies were initiated in 2009 and 2011, respectively, before German and Dutch courts by third parties for alleged damages pursuant to two of the above mentioned legal proceedings. TOTAL S.A. was summoned to serve notice of the dispute before the German court. These procedures were settled between the claimants and Arkema in early July 2013.

Arkema began implementing compliance procedures in 2001 that are designed to prevent its employees from violating antitrust provisions. However, it is not possible to exclude the possibility that the relevant authorities could commence additional proceedings involving Arkema regarding events prior to the spin-off, as well as Elf Aquitaine and/or TOTAL S.A. based on their status as parent company.

Within the framework of all of the legal proceedings described above, a €17 million reserve remains booked in the Group's consolidated financial statements as of June 30, 2013.

#### *Marketing & Services segment*

- Pursuant to a statement of objections received by Total Nederland N.V. and TOTAL S.A. (based on its status as parent company) from the European Commission, Total Nederland N.V. was fined €20.25 million in 2006, for which TOTAL S.A. was held jointly liable for €13.5 million. TOTAL S.A. lodged an appeal against this decision that was dismissed at the end of September 2012. The fine and interest were paid during the first quarter of 2013.

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<sup>1</sup> Arkema is used in this section to designate those companies of the Arkema group whose ultimate parent company is Arkema S.A. Arkema became an independent company after being spun-off from TOTAL S.A. in May 2006.

<sup>2</sup> This amount does not take into account a case that led to Arkema, prior to Arkema's spin-off from TOTAL, and Elf Aquitaine being fined jointly €45 million and Arkema being fined €13.5 million.

- In addition, pursuant to a statement of objections received by Total Raffinage Marketing (formerly Total France) and TOTAL S.A. from the European Commission regarding a product line of the Marketing & Services segment, Total Raffinage Marketing was fined €128.2 million in 2008, which has been paid, and for which TOTAL S.A. was held jointly liable based on its status as parent company. The appeal against this decision lodged by the Group is still pending before the relevant European court.
- In addition, the civil proceedings against TOTAL S.A., Total Raffinage Marketing and other companies initiated before UK and Dutch courts by third parties for alleged damages in connection with the prosecutions brought by the European Commission are ongoing. At this point, the probability to have a favorable verdict and the financial impacts of these procedures remain uncertain due to the number of legal difficulties they gave rise to, the lack of documented claims and evaluations of the alleged damages.

Within the framework of the legal proceedings described above, a €6 million reserve remains booked in the Group's consolidated financial statements as of June 30, 2013.

In early 2013, a civil proceeding was initiated against TOTAL S.A. and its subsidiary Total Aviazione Italia Srl before the competent Italian civil courts. The plaintiff claims against TOTAL S.A., its subsidiary and other third parties, damages that it estimates to be nearly €908 million. This procedure initiated by the plaintiff follows practices that had been sanctioned by the Italian competition authority in 2006. Given the multiple defendants engaged in these proceedings and the disproportionate nature of the alleged damages in view of the justifications provided, this proceeding is not expected to have a material effect on the Group's financial situation, even if it is not possible at this stage to precisely determine the financial impact of the demand on the Group.

Whatever the evolution of the proceedings described above, the Group believes that their outcome should not have a material adverse effect on the Group's financial situation or consolidated results.

### **Grande Paroisse**

An explosion occurred at the Grande Paroisse industrial site in the city of Toulouse in France on September 21, 2001. Grande Paroisse, a former subsidiary of Atofina which became a subsidiary of Elf Aquitaine Fertilisants on December 31, 2004, as part of the reorganization of the Chemicals segment, was principally engaged in the production and sale of agricultural fertilizers. The explosion, which involved a stockpile of ammonium nitrate pellets, destroyed a portion of the site and caused the death of thirty-one people, including twenty-one workers at the site, and injured many others. The explosion also caused significant damage to certain property in part of the city of Toulouse.

This plant has been closed and individual assistance packages have been provided for employees. The site has been rehabilitated.

On December 14, 2006, Grande Paroisse signed, under the supervision of the city of Toulouse, the deed whereby it donated the former site of the AZF plant to the greater agglomeration of Toulouse (CAGT) and the *Caisse des dépôts et consignations* and its subsidiary ICADE. Under this deed, TOTAL S.A. guaranteed the site remediation obligations of Grande Paroisse and granted a €10 million endowment to the InNaBioSanté research foundation as part of the setting up of a cancer research center at the site by the city of Toulouse.

After having articulated several hypotheses, the Court-appointed experts did not maintain in their final report filed on May 11, 2006, that the accident was caused by pouring a large quantity of a chlorine compound over ammonium nitrate. Instead, the experts have retained a scenario where a container of chlorine compound sweepings was poured between a layer of wet ammonium nitrate covering the floor and a quantity of dry agricultural nitrate at a location not far from the principal storage site. This is claimed to have caused an explosion which then spread into the main storage site. Grande Paroisse was investigated based on this new hypothesis in 2006; Grande Paroisse is contesting this explanation, which it believes to be based on elements that are not factually accurate.

On July 9, 2007, the investigating magistrate brought charges against Grande Paroisse and the former Plant Manager before the criminal chamber of the Court of Appeal of Toulouse. In late 2008, TOTAL S.A. and Mr. Thierry Desmarest were summoned to appear in Court pursuant to a request by a victims association.

On November 19, 2009, the Toulouse Criminal Court acquitted both the former Plant Manager, and Grande Paroisse due to the lack of reliable evidence for the explosion. The Court also ruled that the summonses against TOTAL S.A. and Mr. Thierry Desmarest, Chairman and CEO at the time of the disaster were inadmissible.

Due to the presumption of civil liability that applied to Grande Paroisse, the Court declared Grande Paroisse civilly liable for the damages caused by the explosion to the victims in its capacity as custodian and operator of the plant.

The Prosecutor's office, together with certain third parties, has appealed the Toulouse Criminal Court verdict. In order to preserve its rights, Grande Paroisse lodged a cross-appeal with respect to civil charges.

By its decision of September 24, 2012, the Court of Appeal of Toulouse (*Cour d'appel de Toulouse*) upheld the lower court verdict pursuant to which the summonses against TOTAL S.A. and Mr. Thierry Desmarest were determined to



be inadmissible. This element of the decision has been appealed by certain third parties before the French Supreme Court (*Cour de cassation*).

The Court of Appeal considered, however, that the explosion was the result of the chemical accident described by the court-appointed experts. Accordingly, it convicted the former Plant Manager and Grande Paroisse. This element of the decision has been appealed by the former Plant Manager and Grande Paroisse before the French Supreme Court (*Cour de cassation*), which has the effect of suspending their criminal sentences.

A compensation mechanism for victims was set up immediately following the explosion. €2.3 billion was paid for the compensation of claims and related expenses amounts. A €15.6 million reserve remains booked in the Group's consolidated financial statements as of June 30, 2013.

### **Blue Rapid and the Russian Olympic Committee – Russian regions and Interneft**

Blue Rapid, a Panamanian company, and the Russian Olympic Committee filed a claim for damages with the Paris Commercial Court against Elf Aquitaine, alleging a so-called non-completion by a former subsidiary of Elf Aquitaine of a contract related to an exploration and production project in Russia negotiated in the early 1990s. Elf Aquitaine believed this claim to be unfounded and opposed it. On January 12, 2009, the Commercial Court of Paris rejected Blue Rapid's claim against Elf Aquitaine and found that the Russian Olympic Committee did not have standing in the matter. Blue Rapid and the Russian Olympic Committee appealed this decision. On June 30, 2011, the Court of Appeal of Paris dismissed as inadmissible the claim of Blue Rapid and the Russian Olympic Committee against Elf Aquitaine, notably on the grounds of the contract having lapsed. Blue Rapid and the Russian Olympic Committee appealed this decision to the French Supreme Court.

In connection with the same facts, and fifteen years after the termination of the exploration and production contract, a Russian company, which was held not to be the contracting party to the contract, and two regions of the Russian Federation that were not even parties to the contract, launched an arbitration procedure against the aforementioned former subsidiary of Elf Aquitaine that was liquidated in 2005, claiming alleged damages of U.S.\$ 22.4 billion. For the same reasons as those successfully adjudicated by Elf Aquitaine against Blue Rapid and the Russian Olympic Committee, the Group considers this claim to be unfounded as a matter of law and fact. The Group has lodged a criminal complaint to denounce the fraudulent claim of which the Group believes it is a victim and, has taken and reserved its rights to take other actions and measures to defend its interests.

### **Iran**

In 2003, the United States Securities and Exchange Commission (SEC) followed by the Department of Justice (DoJ) issued a formal order directing an investigation in connection with the pursuit of business in Iran by certain oil companies including, among others, TOTAL.

The inquiry concerned an agreement concluded by the Company with consultants concerning gas fields in Iran and aimed to verify whether certain payments made under this agreement would have benefited Iranian officials in violation of the Foreign Corrupt Practices Act (FCPA) and the Company's accounting obligations.

In late May 2013, and after years of discussions, TOTAL reached settlements with the U.S. authorities (a Deferred Prosecution Agreement with the DoJ and a Cease and Desist Order with the SEC). These settlements, which put an end to these investigations, were concluded without admission of guilt and in exchange for TOTAL respecting a number of obligations, including the payment of a fine (\$245.2 million) and a civil compensation (\$153 million) that occurred during the second quarter of 2013. The reserve of \$398.2 million that was booked in the financial statements as of June 30, 2012, has been fully released. By virtue of these settlements, TOTAL also accepted to appoint a French independent compliance monitor to review the Group's compliance program and to recommend possible improvements.

With respect to the same facts, TOTAL and its Chief Executive Officer, who was President of the Middle East at the time of the facts, were placed under formal investigation in France following a judicial inquiry initiated in 2006. In late May 2013, the Prosecutor's office recommended that the case be sent to trial. The investigating magistrate has not yet issued his decision.

At this point, the Company considers that the resolution of these cases is not expected to have a significant impact on the Group's financial situation or consequences on its future planned operations.

## **Libya**

In June 2011, the United States Securities and Exchange Commission (SEC) issued to certain oil companies - including, among others, TOTAL - a formal request for information related to their operations in Libya. In April 2013, the SEC notified TOTAL of the closure of the investigation while stating that it does not intend to take further action as far as TOTAL is concerned.

## **Oil-for-Food Program**

Several countries have launched investigations concerning possible violations related to the United Nations (UN) Oil-for-Food Program in Iraq.

Pursuant to a French criminal investigation, certain current or former Group Employees were placed under formal criminal investigation for possible charges as accessories to the misappropriation of Corporate assets and as accessories to the corruption of foreign public agents. The Chairman and Chief Executive Officer of the Company, formerly President of the Group's Exploration & Production division, was also placed under formal investigation in October 2006. In 2007, the criminal investigation was closed and the case was transferred to the Prosecutor's office. In 2009, the Prosecutor's office recommended to the investigating magistrate that the case against the Group's current and former employees and TOTAL's Chairman and Chief Executive Officer not be pursued.

In early 2010, despite the recommendation of the Prosecutor's office, a new investigating magistrate, having taken over the case, decided to indict TOTAL S.A. on bribery charges as well as complicity and influence peddling. The indictment was brought eight years after the beginning of the investigation without any new evidence being introduced.

In October 2010, the Prosecutor's office recommended to the investigating magistrate that the case against TOTAL S.A., the Group's former employees and TOTAL's Chairman and Chief Executive Officer not be pursued. However, by ordinance notified in early August 2011, the investigating magistrate on the matter decided to send the case to trial. On July 8, 2013, TOTAL S.A., the Group's former employees and TOTAL's Chairman and Chief Executive Officer were cleared of all charges by the Criminal Court, which found that none of the offenses for which they had been prosecuted were established. On July 18, 2013, the Prosecutor's office appealed the parts of the Criminal Court's decision acquitting TOTAL S.A. and certain of the Group's former employees. TOTAL's Chairman and Chief Executive Officer's acquittal issued on July 8, 2013 is irrevocable since the Prosecutor's office did not appeal such part of the Criminal Court's decision.

## **Italy**

As part of an investigation led by the Prosecutor of the Republic of the Potenza Court, Total Italia and certain Group employees were the subject of an investigation related to certain calls for tenders that Total Italia made for the preparation and development of an oil field. On February 16, 2009, as a preliminary measure before the proceedings went before the Court, the preliminary investigation judge of Potenza served notice to Total Italia of a decision that would have suspended the concession for this field for one year. Total Italia appealed the decision by the preliminary investigation judge before the Court of Appeal of Potenza. In a decision dated April 8, 2009, the Court reversed the suspension of the concession and appointed for one year, *i.e.* until February 16, 2010, a judicial administrator to supervise the operations related to the development of the concession, allowing the Tempa Rossa project to continue.

The criminal investigation was closed in the first half of 2010. In May 2012, the Judge of the preliminary hearing decided to dismiss the charges for some of the Group's employees and refer the case for trial on a reduced number of charges. The trial started on September 26, 2012.

In 2010, Total Italia's exploration and production operations were transferred to Total E&P Italia and refining and marketing operations were merged with those of Erg Petroli.

## **Rivunion**

On July 9, 2012, the Swiss Tribunal Fédéral (Switzerland's Supreme Court) rendered its decision against Rivunion, a wholly-owned subsidiary of Elf Aquitaine, confirming a tax reassessment in the amount of CHF 171 million (excluding interest for late payment, yet to be calculated by the competent authorities). According to the Tribunal, Rivunion was held liable as tax collector of withholding taxes owed by the beneficiaries of taxable services. Rivunion, in liquidation since March 13, 2002 and unable to recover the amounts corresponding to the withholding taxes in restitution from said beneficiaries in order to meet its fiscal obligations, has been subject to insolvency proceedings since November 1, 2012.

## **Nigeria**

In the second quarter 2013, TOTAL's equity production in Nigeria was impacted by repeated oil theft and sabotage on oil and gas pipelines used to transport amongst others the Group's production. Despite the completion of multiple repairs, production remained impacted at the end of June 2013, mainly from the onshore acreage of the joint venture in which TOTAL holds a 10% interest that is operated by the Shell Petroleum Development Company (SPDC).

The Group estimates the impact on its Nigerian equity production to be about 35 kboe/d during second quarter 2013.

## 8) Information by business segment

1 <sup>st</sup> half 2013 (M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	10,233	43,178	41,560	132	-	95,103
Intersegment sales	13,854	19,721	914	78	(34,567)	-
Excise taxes	-	(1,665)	(7,000)	-	-	(8,665)
<b>Revenues from sales</b>	<b>24,087</b>	<b>61,234</b>	<b>35,474</b>	<b>210</b>	<b>(34,567)</b>	<b>86,438</b>
Operating expenses	(11,627)	(60,480)	(34,481)	(419)	34,567	(72,440)
Depreciation, depletion and amortization of tangible assets and mineral interests	(3,222)	(596)	(268)	(15)	-	(4,101)
<b>Operating income</b>	<b>9,238</b>	<b>158</b>	<b>725</b>	<b>(224)</b>	-	<b>9,897</b>
Equity in net income (loss) of affiliates and other items	(72)	124	6	21	-	79
Tax on net operating income	(5,317)	1	(215)	(23)	-	(5,554)
<b>Net operating income</b>	<b>3,849</b>	<b>283</b>	<b>516</b>	<b>(226)</b>	-	<b>4,422</b>
Net cost of net debt						(259)
Non-controlling interests						(89)
<b>Net income</b>						<b>4,074</b>

1 <sup>st</sup> half 2013 (adjustments) <sup>(a)</sup> (M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(30)	-	-	-	-	(30)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>(30)</b>	-	-	-	-	<b>(30)</b>
Operating expenses	-	(605)	(103)	-	-	(708)
Depreciation, depletion and amortization of tangible assets and mineral interests	-	(4)	-	-	-	(4)
<b>Operating income<sup>(b)</sup></b>	<b>(30)</b>	<b>(609)</b>	<b>(103)</b>	-	-	<b>(742)</b>
Equity in net income (loss) of affiliates and other items	(1,168)	(42)	(9)	-	-	(1,219)
Tax on net operating income	256	181	33	-	-	470
<b>Net operating income<sup>(b)</sup></b>	<b>(942)</b>	<b>(470)</b>	<b>(79)</b>	-	-	<b>(1,491)</b>
Net cost of net debt						-
Non-controlling interests						3
<b>Net income</b>						<b>(1,488)</b>

<sup>(a)</sup> Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

<sup>(b)</sup> Of which inventory valuation effect

On operating income

On net operating income

-	(566)	(103)	-
-	(385)	(69)	-

1 <sup>st</sup> half 2013 (adjusted) (M€) <sup>(a)</sup>	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	10,263	43,178	41,560	132	-	95,133
Intersegment sales	13,854	19,721	914	78	(34,567)	-
Excise taxes	-	(1,665)	(7,000)	-	-	(8,665)
<b>Revenues from sales</b>	<b>24,117</b>	<b>61,234</b>	<b>35,474</b>	<b>210</b>	<b>(34,567)</b>	<b>86,468</b>
Operating expenses	(11,627)	(59,875)	(34,378)	(419)	34,567	(71,732)
Depreciation, depletion and amortization of tangible assets and mineral interests	(3,222)	(592)	(268)	(15)	-	(4,097)
<b>Adjusted operating income</b>	<b>9,268</b>	<b>767</b>	<b>828</b>	<b>(224)</b>	-	<b>10,639</b>
Equity in net income (loss) of affiliates and other items	1,096	166	15	21	-	1,298
Tax on net operating income	(5,573)	(180)	(248)	(23)	-	(6,024)
<b>Adjusted net operating income</b>	<b>4,791</b>	<b>753</b>	<b>595</b>	<b>(226)</b>	-	<b>5,913</b>
Net cost of net debt						(259)
Non-controlling interests						(92)
<b>Adjusted net income</b>						<b>5,562</b>
<b>Adjusted fully-diluted earnings per share (€)</b>						<b>2.45</b>

<sup>(a)</sup> Except for earnings per share.

1 <sup>st</sup> half 2013 (M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	10,311	915	429	41	-	11,696
Total divestments	1,655	235	50	10	-	1,950
Cash flow from operating activities	6,278	1,015	321	(190)	-	7,424

1 <sup>st</sup> half 2012 (M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	11,154	45,688	43,371	90	-	100,303
Intersegment sales	15,985	22,289	453	93	(38,820)	-
Excise taxes	-	(1,678)	(7,274)	-	-	(8,952)
<b>Revenues from sales</b>	<b>27,139</b>	<b>66,299</b>	<b>36,550</b>	<b>183</b>	<b>(38,820)</b>	<b>91,351</b>
Operating expenses	(12,809)	(65,706)	(35,755)	(517)	38,820	(75,967)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,906)	(633)	(311)	(16)	-	(3,866)
<b>Operating income</b>	<b>11,424</b>	<b>(40)</b>	<b>484</b>	<b>(350)</b>	<b>-</b>	<b>11,518</b>
Equity in net income (loss) of affiliates and other items	991	115	(83)	(39)	-	984
Tax on net operating income	(6,871)	43	(218)	(10)	-	(7,056)
<b>Net operating income</b>	<b>5,544</b>	<b>118</b>	<b>183</b>	<b>(399)</b>	<b>-</b>	<b>5,446</b>
Net cost of net debt						(221)
Non-controlling interests						(39)
<b>Net income</b>						<b>5,186</b>

1 <sup>st</sup> half 2012 (adjustments) <sup>(a)</sup> (M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(14)	-	-	-	-	(14)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>(14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14)</b>
Operating expenses	(18)	(455)	(85)	(88)	-	(646)
Depreciation, depletion and amortization of tangible assets and mineral interests	-	-	(46)	-	-	(46)
<b>Operating income<sup>(b)</sup></b>	<b>(32)</b>	<b>(455)</b>	<b>(131)</b>	<b>(88)</b>	<b>-</b>	<b>(706)</b>
Equity in net income (loss) of affiliates and other items	-	(17)	(29)	(134)	-	(180)
Tax on net operating income	14	148	25	(16)	-	171
<b>Net operating income<sup>(b)</sup></b>	<b>(18)</b>	<b>(324)</b>	<b>(135)</b>	<b>(238)</b>	<b>-</b>	<b>(715)</b>
Net cost of net debt						-
Non-controlling interests						30
<b>Net income</b>						<b>(685)</b>

<sup>(a)</sup> Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

<sup>(b)</sup> Of which inventory valuation effect  
On operating income - (455) (83) -  
On net operating income - (324) (59) -

1 <sup>st</sup> half 2012 (adjusted) (M€) <sup>(a)</sup>	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	11,168	45,688	43,371	90	-	100,317
Intersegment sales	15,985	22,289	453	93	(38,820)	-
Excise taxes	-	(1,678)	(7,274)	-	-	(8,952)
<b>Revenues from sales</b>	<b>27,153</b>	<b>66,299</b>	<b>36,550</b>	<b>183</b>	<b>(38,820)</b>	<b>91,365</b>
Operating expenses	(12,791)	(65,251)	(35,670)	(429)	38,820	(75,321)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,906)	(633)	(265)	(16)	-	(3,820)
<b>Adjusted operating income</b>	<b>11,456</b>	<b>415</b>	<b>615</b>	<b>(262)</b>	<b>-</b>	<b>12,224</b>
Equity in net income (loss) of affiliates and other items	991	132	(54)	95	-	1,164
Tax on net operating income	(6,885)	(105)	(243)	6	-	(7,227)
<b>Adjusted net operating income</b>	<b>5,562</b>	<b>442</b>	<b>318</b>	<b>(161)</b>	<b>-</b>	<b>6,161</b>
Net cost of net debt						(221)
Non-controlling interests						(69)
<b>Adjusted net income</b>						<b>5,871</b>
<b>Adjusted fully-diluted earnings per share (€)</b>						<b>2.59</b>

<sup>(a)</sup> Except for earnings per share.

1 <sup>st</sup> half 2012 (M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	9,533	930	410	31	-	10,904
Total divestments	982	148	65	1,475	-	2,670
Cash flow from operating activities	11,064	589	(584)	365	-	11,434

2 <sup>nd</sup> quarter 2013 (M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	4,781	21,560	20,561	71	-	46,973
Intersegment sales	6,519	9,807	806	27	(17,159)	-
Excise taxes	-	(835)	(3,634)	-	-	(4,469)
<b>Revenues from sales</b>	<b>11,300</b>	<b>30,532</b>	<b>17,733</b>	<b>98</b>	<b>(17,159)</b>	<b>42,504</b>
Operating expenses	(5,512)	(30,413)	(17,273)	(212)	17,159	(36,251)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,512)	(298)	(123)	(8)	-	(1,941)
<b>Operating income</b>	<b>4,276</b>	<b>(179)</b>	<b>337</b>	<b>(122)</b>	<b>-</b>	<b>4,312</b>
Equity in net income (loss) of affiliates and other items	774	52	38	23	-	887
Tax on net operating income	(2,421)	80	(100)	(44)	-	(2,485)
<b>Net operating income</b>	<b>2,629</b>	<b>(47)</b>	<b>275</b>	<b>(143)</b>	<b>-</b>	<b>2,714</b>
Net cost of net debt						(139)
Non-controlling interests						(38)
<b>Net income</b>						<b>2,537</b>

2 <sup>nd</sup> quarter 2013 (adjustments) <sup>(a)</sup> (M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(32)	-	-	-	-	(32)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>(32)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32)</b>
Operating expenses	-	(536)	(82)	-	-	(618)
Depreciation, depletion and amortization of tangible assets and mineral interests	-	-	-	-	-	-
<b>Operating income<sup>(b)</sup></b>	<b>(32)</b>	<b>(536)</b>	<b>(82)</b>	<b>-</b>	<b>-</b>	<b>(650)</b>
Equity in net income (loss) of affiliates and other items	252	(32)	1	-	-	221
Tax on net operating income	84	151	26	-	-	261
<b>Net operating income<sup>(b)</sup></b>	<b>304</b>	<b>(417)</b>	<b>(55)</b>	<b>-</b>	<b>-</b>	<b>(168)</b>
Net cost of net debt						-
Non-controlling interests						6
<b>Net income</b>						<b>(162)</b>

<sup>(a)</sup> Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

<sup>(b)</sup> Of which inventory valuation effect  
On operating income - (499) (82) -  
On net operating income - (351) (55) -

2 <sup>nd</sup> quarter 2013 (adjusted) (M€) <sup>(a)</sup>	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	4,813	21,560	20,561	71	-	47,005
Intersegment sales	6,519	9,807	806	27	(17,159)	-
Excise taxes	-	(835)	(3,634)	-	-	(4,469)
<b>Revenues from sales</b>	<b>11,332</b>	<b>30,532</b>	<b>17,733</b>	<b>98</b>	<b>(17,159)</b>	<b>42,536</b>
Operating expenses	(5,512)	(29,877)	(17,191)	(212)	17,159	(35,633)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,512)	(298)	(123)	(8)	-	(1,941)
<b>Adjusted operating income</b>	<b>4,308</b>	<b>357</b>	<b>419</b>	<b>(122)</b>	<b>-</b>	<b>4,962</b>
Equity in net income (loss) of affiliates and other items	522	84	37	23	-	666
Tax on net operating income	(2,505)	(71)	(126)	(44)	-	(2,746)
<b>Adjusted net operating income</b>	<b>2,325</b>	<b>370</b>	<b>330</b>	<b>(143)</b>	<b>-</b>	<b>2,882</b>
Net cost of net debt						(139)
Non-controlling interests						(44)
<b>Adjusted net income</b>						<b>2,699</b>
<b>Adjusted fully-diluted earnings per share (€)</b>						<b>1.19</b>

<sup>(a)</sup> Except for earnings per share.

2 <sup>nd</sup> quarter 2013 (M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	5,056	382	242	32	-	5,712
Total divestments	1,112	208	12	2	-	1,334
Cash flow from operating activities	2,128	1,303	414	(139)	-	3,706

2 <sup>nd</sup> quarter 2012 (M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	4,977	22,592	21,519	47	-	49,135
Intersegment sales	7,751	10,474	222	48	(18,495)	-
Excise taxes	-	(874)	(3,686)	1	-	(4,559)
<b>Revenues from sales</b>	<b>12,728</b>	<b>32,192</b>	<b>18,055</b>	<b>96</b>	<b>(18,495)</b>	<b>44,576</b>
Operating expenses	(6,274)	(32,653)	(17,768)	(290)	18,495	(38,490)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,513)	(319)	(189)	(7)	-	(2,028)
<b>Operating income</b>	<b>4,941</b>	<b>(780)</b>	<b>98</b>	<b>(201)</b>	<b>-</b>	<b>4,058</b>
Equity in net income (loss) of affiliates and other items	448	23	(14)	(156)	-	301
Tax on net operating income	(2,882)	258	(62)	(12)	-	(2,698)
<b>Net operating income</b>	<b>2,507</b>	<b>(499)</b>	<b>22</b>	<b>(369)</b>	<b>-</b>	<b>1,661</b>
Net cost of net debt						(116)
Non-controlling interests						(27)
<b>Net income</b>						<b>1,518</b>

2 <sup>nd</sup> quarter 2012 (adjustments) <sup>(a)</sup> (M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	11	-	-	-	-	11
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>
Operating expenses	(18)	(1,238)	(148)	(23)	-	(1,427)
Depreciation, depletion and amortization of tangible assets and mineral interests	-	-	(46)	-	-	(46)
<b>Operating income<sup>(b)</sup></b>	<b>(7)</b>	<b>(1,238)</b>	<b>(194)</b>	<b>(23)</b>	<b>-</b>	<b>(1,462)</b>
Equity in net income (loss) of affiliates and other items	-	(40)	(8)	(244)	-	(292)
Tax on net operating income	9	401	47	(9)	-	448
<b>Net operating income<sup>(b)</sup></b>	<b>2</b>	<b>(877)</b>	<b>(155)</b>	<b>(276)</b>	<b>-</b>	<b>(1,306)</b>
Net cost of net debt						-
Non-controlling interests						33
<b>Net income</b>						<b>(1,273)</b>

<sup>(a)</sup> Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

<sup>(b)</sup> Of which inventory valuation effect  
On operating income - (1,238) (146) -  
On net operating income - (877) (99) -

2 <sup>nd</sup> quarter 2012 (adjusted) (M€) <sup>(a)</sup>	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	4,966	22,592	21,519	47	-	49,124
Intersegment sales	7,751	10,474	222	48	(18,495)	-
Excise taxes	-	(874)	(3,686)	1	-	(4,559)
<b>Revenues from sales</b>	<b>12,717</b>	<b>32,192</b>	<b>18,055</b>	<b>96</b>	<b>(18,495)</b>	<b>44,565</b>
Operating expenses	(6,256)	(31,415)	(17,620)	(267)	18,495	(37,063)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,513)	(319)	(143)	(7)	-	(1,982)
<b>Adjusted operating income</b>	<b>4,948</b>	<b>458</b>	<b>292</b>	<b>(178)</b>	<b>-</b>	<b>5,520</b>
Equity in net income (loss) of affiliates and other items	448	63	(6)	88	-	593
Tax on net operating income	(2,891)	(143)	(109)	(3)	-	(3,146)
<b>Adjusted net operating income</b>	<b>2,505</b>	<b>378</b>	<b>177</b>	<b>(93)</b>	<b>-</b>	<b>2,967</b>
Net cost of net debt						(116)
Non-controlling interests						(60)
<b>Adjusted net income</b>						<b>2,791</b>
<b>Adjusted fully-diluted earnings per share (€)</b>						<b>1.23</b>

<sup>(a)</sup> Except for earnings per share.

2 <sup>nd</sup> quarter 2012 (M€)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	4,227	501	212	24	-	4,964
Total divestments	234	7	20	719	-	980
Cash flow from operating activities	5,298	625	(140)	384	-	6,167

## 9) Reconciliation of the information by business segment with consolidated financial statements

1 <sup>st</sup> half 2013 (M€)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
<b>Sales</b>	<b>95,133</b>	<b>(30)</b>	<b>95,103</b>
Excise taxes	(8,665)	-	(8,665)
Revenues from sales	86,468	(30)	86,438
Purchases net of inventory variation	(60,205)	(669)	(60,874)
Other operating expenses	(10,948)	(39)	(10,987)
Exploration costs	(579)	-	(579)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,097)	(4)	(4,101)
Other income	131	252	383
Other expense	(174)	(1,452)	(1,626)
Financial interest on debt	(351)	-	(351)
Financial income from marketable securities & cash equivalents	36	-	36
Cost of net debt	(315)	-	(315)
Other financial income	260	-	260
Other financial expense	(265)	-	(265)
Equity in net income (loss) of affiliates	1,346	(19)	1,327
Income taxes	(5,968)	470	(5,498)
<b>Consolidated net income</b>	<b>5,654</b>	<b>(1,491)</b>	<b>4,163</b>
Group share	5,562	(1,488)	4,074
Non-controlling interests	92	(3)	89

<sup>(a)</sup> Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

1 <sup>st</sup> half 2012 (M€)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
<b>Sales</b>	<b>100,317</b>	<b>(14)</b>	<b>100,303</b>
Excise taxes	(8,952)	-	(8,952)
Revenues from sales	91,365	(14)	91,351
Purchases net of inventory variation	(63,797)	(538)	(64,335)
Other operating expenses	(10,899)	(108)	(11,007)
Exploration costs	(625)	-	(625)
Depreciation, depletion and amortization of tangible assets and mineral interests	(3,820)	(46)	(3,866)
Other income	305	209	514
Other expense	(200)	(347)	(547)
Financial interest on debt	(357)	-	(357)
Financial income from marketable securities & cash equivalents	59	-	59
Cost of net debt	(298)	-	(298)
Other financial income	294	-	294
Other financial expense	(254)	-	(254)
Equity in net income (loss) of affiliates	1,019	(42)	977
Income taxes	(7,150)	171	(6,979)
<b>Consolidated net income</b>	<b>5,940</b>	<b>(715)</b>	<b>5,225</b>
Group share	5,871	(685)	5,186
Non-controlling interests	69	(30)	39

<sup>(a)</sup> Adjustments include special items, inventory valuation effect and the effect of changes in fair value.



<b>2<sup>nd</sup> quarter 2013</b> (M€)	<b>Adjusted</b>	<b>Adjustments <sup>(a)</sup></b>	<b>Consolidated statement of income</b>
<b>Sales</b>	<b>47,005</b>	<b>(32)</b>	<b>46,973</b>
Excise taxes	(4,469)	-	(4,469)
Revenues from sales	42,536	(32)	42,504
Purchases net of inventory variation	(29,763)	(581)	(30,344)
Other operating expenses	(5,598)	(37)	(5,635)
Exploration costs	(272)	-	(272)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,941)	-	(1,941)
Other income	100	252	352
Other expense	(77)	(17)	(94)
Financial interest on debt	(182)	-	(182)
Financial income from marketable securities & cash equivalents	14	-	14
Cost of net debt	(168)	-	(168)
Other financial income	157	-	157
Other financial expense	(137)	-	(137)
Equity in net income (loss) of affiliates	623	(14)	609
Income taxes	(2,717)	261	(2,456)
<b>Consolidated net income</b>	<b>2,743</b>	<b>(168)</b>	<b>2,575</b>
Group share	2,699	(162)	2,537
Non-controlling interests	44	(6)	38

<sup>(a)</sup> Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

<b>2<sup>nd</sup> quarter 2012</b> (M€)	<b>Adjusted</b>	<b>Adjustments <sup>(a)</sup></b>	<b>Consolidated statement of income</b>
<b>Sales</b>	<b>49,124</b>	<b>11</b>	<b>49,135</b>
Excise taxes	(4,559)	-	(4,559)
Revenues from sales	44,565	11	44,576
Purchases net of inventory variation	(30,910)	(1,384)	(32,294)
Other operating expenses	(5,884)	(43)	(5,927)
Exploration costs	(269)	-	(269)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,982)	(46)	(2,028)
Other income	126	99	225
Other expense	(108)	(343)	(451)
Financial interest on debt	(170)	-	(170)
Financial income from marketable securities & cash equivalents	24	-	24
Cost of net debt	(146)	-	(146)
Other financial income	209	-	209
Other financial expense	(118)	-	(118)
Equity in net income (loss) of affiliates	484	(48)	436
Income taxes	(3,116)	448	(2,668)
<b>Consolidated net income</b>	<b>2,851</b>	<b>(1,306)</b>	<b>1,545</b>
Group share	2,791	(1,273)	1,518
Non-controlling interests	60	(33)	27

<sup>(a)</sup> Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

## **10) CHANGES IN PROGRESS IN THE GROUP STRUCTURE**

### **➤ Upstream**

- TOTAL signed in April 2013 an agreement for the sale of 100% of Transport et Infrastructures Gaz France (TIGF) with a consortium comprising Snam, EDF and GIC (Government of Singapore Investment Corporation). This transaction remains subject to the approval by the relevant authorities. At June 30, 2013 the assets and liabilities of the company have been respectively classified in the consolidated balance sheet in “assets classified as held for sale” for an amount of €1,450 million and “liabilities directly associated with the assets classified as held for sale” for an amount of €891 million. The assets and liabilities concerned mainly include tangible assets for an amount of €1,280 million and non-current financial debt for an amount of €808 million.
- TOTAL has put up for sale its interest in the Upstream in Trinidad & Tobago. At June 30, 2013 the assets and liabilities have been respectively classified in the consolidated balance sheet in “assets classified as held for sale” for an amount of €250 million and “liabilities directly associated with the assets classified as held for sale” for an amount of €104 million. The assets concerned mainly include tangible assets for an amount of €230 million.
- TOTAL announced in November 2012 the finalization of an agreement for the sale in Nigeria of its 20% interest in block OML 138 to a subsidiary of China Petrochemical Corporation (Sinopec). This transaction remains subject to the approval by the relevant authorities. At June 30, 2013 the assets and liabilities have been respectively classified in the consolidated balance sheet in “assets classified as held for sale” for an amount of €1,786 million and “liabilities directly associated with the assets classified as held for sale” for an amount of €485 million. The assets concerned mainly include tangible assets for an amount of €1,404 million.
- TOTAL has put up for sale its interest in block 15/06 in Angola. At June 30, 2013 the assets have been respectively classified in the consolidated balance sheet in “assets classified as held for sale” for an amount of €416 million. The assets concerned mainly include tangible assets for an amount of €342 million.